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DD/M&S 73-3573

6 SEP 1973

MEMORANDUM FOR: Director of Communications
Director of Finance
Director of Joint Computer Support
Director of Logistics
Director of Medical Services
Director of Personnel
Director of Planning, Programming and Budgeting
Director of Security
Director of Training
Chief, Information Systems Analysis Staff
Chief, CIA Historical Staff

SUBJECT : Review of Directorate Functions

REFERENCE : Memo dtd 13 Aug 73 to Office Directors fr DD/M&S;
same subject (DD/M&S 73-3191)

1. The Director has expressed interest in the concept of a zero base budget for the Agency, and I have had several discussions with others who share my opinion that the concept has a great deal of merit. The review of your functions that you are conducting currently, with some moderate expansion, can provide the basic accumulation of data necessary to the adoption of zero base budgeting and I would like to move in that direction.

2. Accordingly, the following supplemental instructions should be applied in compiling information called for in reference:

a. The first of the two forms attached to reference provides for identification of "Responsible Organization Unit." The focus here must be on functions; a simple restatement of traditional unit "missions and functions" is not what is wanted. Most frequently a function falls totally within the purview of a single organizational unit. Occasionally, however, functions are shared by more than one unit. In these cases, all units concerned should be cited and an appropriate share of manpower and funds allocated to the function by each unit should be shown.

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b. To be most useful the information provided on "Benefits" should include the specific product or service outputs of the function, and the customers for these outputs should be identified.

c. Reference said that the sections on "Consequences of Deletion", "Alternatives" and "Possible Incremental Changes" would need to be completed only for functions which in the judgment of the reporting office are candidates for deletion. To achieve the objective of collecting as much data as possible as a basis for zero base budgeting, these sections should be completed on all forms. It may not be necessary to furnish a statement of consequences of deletion for functions which are required by statute or other directive from outside the Agency, but statements about the possibilities of incremental changes should be furnished for all functions.

d. In discussing "Possible Incremental Changes" the minimum practicable level of activity and the resource requirements for that level should be stated. This minimum should reflect identification of core activities which are truly essential. The temptation to equate this minimum to the current level of operation should be avoided. The recommended level, with resources, should be stated, and the services or products which would have to be eliminated if a lower level of activity were to be established should be identified. The search for incremental changes may reveal ways to break down what had been taken as basic functions into more fundamental subsections, each with identifiable resource allocations.

e. One additional item of information could profitably be included as part of this survey. An indication of whether productivity measures have been established for each function could be added and, if not, whether the activity is one which lends itself to such measurement.

STATINTL

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Deputy Director
for
Management and Services